

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type: <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name: <u>District Court No. 18 of Westland, Michigan</u>	County Wayne
Audit Date June 30, 2005	Opinion Date September 28, 2005	Date Accountant Report Submitted To State: December 29, 2005	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:


1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations.

You must check the applicable box for each item below:

- | | |
|---|---|
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91] or P.A. 55 of 1982, as amended [MCL 38.1132]) |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reports on individual federal assistance programs (program audits).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Single Audit Reports (ASLGU).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Certified Public Accountant (Firm Name): Plante & Moran, PLLC			
Street Address 1000 Oakbrook Dr., Suite 400	City Ann Arbor	State MI	ZIP 48104
Accountant Signature 			

District Court Funds of District No. 18 Westland, Michigan

**Financial Report
with Supplemental Information
June 30, 2005**

District Court Funds of District No. 18 Westland, Michigan

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Independent Auditor's Report

To the District Judges Gail McKnight
and C. Charles Bokos
District Court No. 18
Westland, Michigan

We have audited the accompanying balance sheet of the District Court Funds of District No. 18 (a component unit of the City of Westland, Michigan) as of June 30, 2005, as listed in the table of contents. This financial statement is the responsibility of the Court's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of the District Court Funds of District No. 18, Westland, Michigan at June 30, 2005, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the balance sheet. The accompanying supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis, and is not a required part of the basic financial statement. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

The accompanying financial statement does not present a management's discussion and analysis, which would be an analysis of the financial performance for the year. The Governmental Accounting Standards Board has determined that this analysis is necessary to supplement, although not required to be a part of, the basic financial statement.

Plante & Moran, PLLC

September 28, 2005



A worldwide association of independent accounting firms

District Court Funds of District No. 18

Westland, Michigan

Balance Sheet
June 30, 2005

	Court Account	General Account	Constable Account	Total
Assets - Cash (Note 2)	<u>\$ 441,083</u>	<u>\$ 401,269</u>	<u>\$ 10,726</u>	<u>\$ 853,078</u>
Liabilities				
Due to City of Westland	\$ 340,089	\$ -	\$ -	\$ 340,089
Due to State of Michigan	97,053	-	-	97,053
Refundable bonds and other	<u>3,941</u>	<u>401,269</u>	<u>10,726</u>	<u>415,936</u>
Total liabilities	<u>\$ 441,083</u>	<u>\$ 401,269</u>	<u>\$ 10,726</u>	<u>\$ 853,078</u>

District Court Funds of District No. 18 Westland, Michigan

**Notes to Balance Sheet
June 30, 2005**

Note 1 - Significant Accounting Policies

District Court No. 18 (the "District Court") is a component unit of the City of Westland (the "City") and is reported in the City's basic financial statements. The accounting policies of the District Court conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The funds of the District Court are Agency Funds. The financial activities are limited to collection of amounts that are subsequently returned or paid to third parties. The funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Note 2 - Cash

Michigan Compiled Laws, Section 129.91, authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The District Court is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The District Court has designated one bank for the deposit of District Court funds. The investment policy adopted by the City Council in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government, bank accounts and CDs, and such obligations, bonds, and securities as permitted by the statutes of the State of Michigan.

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of bank failure, the District Court's deposits may not be returned to it. The District Court does not have a deposit policy for custodial credit risk. At year end, the District Court had \$690,033 of bank deposits (checking accounts) that were uninsured and uncollateralized. The District Court believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the District Court evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Supplemental Information

District Court Funds of District No. 18

Westland, Michigan

Schedule of Cash Receipts and Disbursements Year Ended June 30, 2005

	Court Account	General Account	Constable Account	Total
Cash - July 1, 2004	\$ 364,861	\$ 336,508	\$ 9,118	\$ 710,487
Receipts				
Fines and fees collected	4,702,612	-	-	4,702,612
Bond receipts	-	1,327,636	-	1,327,636
Bond forfeitures	189,935	-	-	189,935
Restitutions	-	97,308	-	97,308
Garnishments, escrows, and other	-	125,316	-	125,316
Receipts for other District Court accounts	141,406	-	-	141,406
Transfers from other District Court accounts	-	-	141,477	141,477
Total receipts	5,033,953	1,550,260	141,477	6,725,690
Disbursements				
Transfers to District Control Unit	3,750,334	-	-	3,750,334
State of Michigan	1,023,440	-	-	1,023,440
Wayne County, Michigan	42,480	-	-	42,480
Constable fees	-	-	139,869	139,869
Bond refunds, forfeitures, and transfers	-	1,268,585	-	1,268,585
Restitutions	-	96,032	-	96,032
Garnishments, escrows, and other	-	120,882	-	120,882
Transfers to other District Court accounts	141,477	-	-	141,477
Total disbursements	4,957,731	1,485,499	139,869	6,583,099
Cash - June 30, 2005	\$ 441,083	\$ 401,269	\$ 10,726	\$ 853,078